

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 10669 01 OF 02 201731Z

50

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 OMB-01 CIEP-03 FRB-03 TRSE-00 COME-00 EB-11

LAB-06 SIL-01 DRC-01 /127 W
----- 129136

R 201716Z AUG 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3169

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 10669

E.O. 11652: N/A

TAGS: PINT, PGOV, UK

SUBJECT: GENERAL ELECTION OUTLOOK - EMERGING ISSUES

SUMMARY - ALL INDICATORS CONTINUE POINTING TO OCTOBER
GENERAL ELECTION. DESPITE PARLIAMENT RECESS AND AUGUST
HOLIDAY LASSITUDE, GOVERNMENT AND OPPOSITION PARTIES ARE
PREPARING FOR ANTICIPATED ELECTORAL TEST. GOVERNMENT
HAS ISSUED POLICY AND DISCUSSION PAPERS ON INDUSTRIAL
PROGRAM AND "WEALTH TAXES" (COVERED IN SEPTELS), WHILE
SCOTTISH LABOR PARTY (SLP) FOLLOWED LEAD OF NATIONAL
PARTY EXECUTIVE BY ENDORSING SCOTTISH ASSEMBLY. LABOR IS
ALSO MOUNTING PRE-ELECTION CAMPAIGN IN NORTHWEST AREA.
TORIES ATTACKED LABOR'S ANNOUNCED POLICIES AND UNVEILED
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 10669 01 OF 02 201731Z

THEIR PROPOSED ECONOMIC PROGRAM, BUT HAVE NOT YET INI-

TIATED MAJOR PRE-CAMPAIGN EFFORT. LIBERAL LEADERS HAVE
SPOKEN OUT EXTENSIVELY ON LABOR AND TORY PROPOSALS,
LEAKED OUTLINE OF THEIR ELECTION PROGRAM TO PRESS AND
ARE READYING PRE-ELECTION CAMPAIGN. POLLS, THOUGH
SHOWING TREND VARIATIONS, REVEAL APPARENT LABOR ADVANTAGE
AND INDICATE ELECTORATE MOST CONCERNED ABOUT INFLATION,
LABOR RELATIONS, HOUSING, AND "OTHER ECONOMIC PROBLEMS."
END SUMMARY

1) IN ADDITION TO FLURRY OF POLICY AND DISCUSSION
PAPERS, LABOR HAS ANNOUNCED A "SPECIAL PRE-ELECTION CAM-
PAIGN" TOUR OF NORTHWEST ENGLAND WHICH CONTAINS SEVERAL
IMPORTANT MARGINAL CONSTITUENCIES, AND PRESS REPORTED
PARTY BOOKED A LARGE LONDON HALL FOR THREE DAYS IN EARLY
NOVEMBER IN EVENT ELECTIONS PRECLUDE ANNUAL PARTY CON-
GRESS SCHEDULED FOR SEPTEMBER 30-OCTOBER 4. THESE AND
OTHER DEVELOPMENTS REINFORCE VIEW AMONG POLITICAL OB-
SERVERS, AND IN WHICH EMBASSY CONCURS, THAT PRIME MINIS-
TER WILL CALL ELECTION NO LATER THAN MID-SEPTEMBER.

2) IN PAST TWO WEEKS GOVERNMENT HAS ISSUED TWO WHITE
PAPERS AND GREEN PAPER DETAILING ITS PLAN TO IMPLEMENT
MAJOR ELEMENTS OF LABOR'S 1974 MANIFESTO. INDUSTRIAL
PROGRAM WHITE PAPER, "REGENERATION OF BRITISH INDUSTRY"
(LONDON SEPT 1), IDENTIFIES INDUSTRIES SCHEDULED FOR
NATIONALIZATION AND PLANS FOR NATIONAL ENTERPRISES BOARD
WHICH, INTER ALIA, WOULD COORDINATE PRIVATE INDUSTRIAL
PLANNING AND INVESTMENT. ALTHOUGH MORE MODERATE THAN
PARTY MANIFESTO, PROGRAM APPEARS TO HONOR LABOR'S COMMIT-
MENTS AND IS APPARENTLY SUFFICIENTLY AMBIGUOUS TO PLACATE
PARTY LEFT WING. GREEN PAPER ON WEALTH TAX (LONDON
10219) ALSO FULFILLS MANIFESTO COMMITMENT. BOTH TRIG-
GERED HOSTILE REACTION FROM PRIVATE SECTOR AND TORIES,
THOUGH LATTER'S STATUS AS DISCUSSION PAPER, TOGETHER WITH
RELATIVELY HIGH TAX THRESHOLD (100,000 POUNDS, BUT THERE
IS PRESSURE FROM THE TUC AND LABOR'S LEFT WING TO LOWER
IT TO 50,000 POUNDS), MAKE IT LIKELY INDUSTRIAL POLICY
WILL BE MORE IMPORTANT ELECTORAL ISSUE. IN THIS REGARD,
COLLAPSE OF COURT LINE AND STRANDING OF THOUSANDS OF
BRITISH TOURISTS HAS EMBARRASSED HMG, GIVING OPPOSITION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 10669 01 OF 02 201731Z

EXCELLENT OPPORTUNITY TO ATTACK LABOR'S INEPT HANDLING
RECENTLY NATIONALIZED INDUSTRY AND, BY EXTENSION, ITS
NATIONALIZATION POLICY. CAPITAL TRANSFER TAX WHITE
PAPER (LONDON 10219) PROVIDES NEW CONCESSIONS FOR WIDOWS
AND DREW LITTLE OPPOSITION FIRE. TO EXTENT THIS SUBJECT
BECOMES ELECTION ISSUE, IT WILL PROBABLY HELP LABOR.
CONTINUED DECLINE OF STOCK MARKET AND STERLING ARE LIKELY
TO BE MADE CAMPAIGN ISSUES, OFFERING OPPOSITION EXCELLENT

TARGETS.

3) SCOTTISH LABOR PARTY'S (SLP) AUGUST 17 ENDORSEMENT OF HOME RULE, WHICH REVERSED SLP EXECUTIVE'S EARLIER RESOLUTIONS OPPOSING DEVOLUTION, BROUGHT REGIONAL ORGANIZATION INTO CONFORMITY WITH NATIONAL PARTY POSITION, BUT LEFT SLP DIVIDED. GIVEN BITTERNESS SLP INTERNAL DEBATE AND PUBLICITY GIVEN THIS MATTER, IT IS PROBABLY CASE OF TOO LITTLE TOO LATE IN TERMS OF REVERSING RECENT TREND IN SCOTLAND WHICH HAS FAVORED SCOTTISH NATIONALIST PARTY (SNP), LARGELY AT LABOR'S EXPENSE. MANY OBSERVERS BE-

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 10669 02 OF 02 201730Z

50

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 OMB-01 CIEP-03 FRB-03 TRSE-00 COME-00 EB-11

LAB-06 SIL-01 DRC-01 /127 W
----- 129150

R 201716Z AUG 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3170

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 10669

LIEVE SNP COULD GAIN AS MANY AS TWELVE LABOR SEATS IN

SCOTLAND, POSSIBLY PREVENTING PARLIAMENTARY MAJORITY IN
EVENT LABOR WINS GENERAL ELECTION.

4) EXCEPT FOR OUTLINE OF ECONOMIC PROGRAM WHICH SUR-
FACED IN AUGUST 11-12 CONSERVATIVE CANDIDATES CONFERENCE
(LONDON 10290), TORY ACTIVITY LARGELY LIMITED TO ATTACK-
ING LABOR'S INITIATIVES AND RELATED MATTERS. AS INDICA-
TED ABOVE, NATIONALIZATION POLICY AND COURT LINE AFFAIR
HAVE BEEN PRINCIPAL TARGETS. AT LEAST ONE PRO-TORY
COLUMNIST HAS CRITICIZED PARTY FOR FAILING TO MOUNT MORE
ACTIVE CAMPAIGN IN PREPARATION FOR ELECTION.

5) LIKE THEIR CONSERVATIVE COUNTERPARTS, LIBERAL SPOKES-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 10669 02 OF 02 201730Z

MEN HAVE COMMENTED EXTENSIVELY ON LABOR'S PROPOSALS, BUT
HAVE TAKEN FAR MORE MODERATE LINE. ALTHOUGH CRITICAL OF
LABOR'S INDUSTRIAL POLICY, ESPECIALLY TRADE UNION POWER,
THE LIBERALS WERE NOT ENTIRELY NEGATIVE. THE BROAD OUT-
LINE OF LIBERAL ECONOMIC POLICY SURFACED IN AUGUST 14
SPEECH BY DEPUTY WHIP JOHN PARDOE -- STRICTER CONTROL OF
MONEY SUPPLY, REDUCED ENERGY CONSUMPTION, TAX SURCHARGES
ON "INFLATIONARY SALARIES AND PRICES", ENACTMENT OF
MINIMUM INCOMES AND INDEXATION OF SAVINGS AND MORTGAGES--
WITH THE DETAILED PROGRAM PROMISED FOR EARLY SEPTEMBER.
LIBERAL PARTY LEADER THORPE IS SCHEDULED TO BEGIN A
HOVERCRAFT TOUR OF COASTAL VACATION TOWNS IN LATE
AUGUST. THE HUSTINGS-BY-HOVERCRAFT PLAN, HOWEVER, RAN
INTO SNAGS WHEN SEVERAL COASTAL CITIES ANNOUNCED THEY
WILL NOT PERMIT ENTRY OF HOVERCRAFT.

6) POLLS INDICATE LABOR ADVANTAGE WHICH VARIES FROM 3
PERCENT TO 9 PERCENT, DEPENDING ON THE POLL. ALL BUT ONE
OF THE VOTING TRENDS WOULD SEEM TO FAVOR LABOR, BUT AGAIN
THERE ARE SUBSTANTIAL VARIATIONS. A CONSENSUS OF CURRENT
POLLS, HOWEVER, INDICATES VOTERS ARE MOST CONCERNED WITH
ECONOMIC ISSUES, PRINCIPALLY INFLATION, WITH INDUSTRIAL
RELATIONS ALSO A MAJOR FACTOR. CONTINUED DETERIORATION
OF STOCK MARKET AND POUND, AS WELL AS NATIONALIZATION,
COULD APPEAR AS MAJOR CONCERN IN FUTURE POLLS. THUS FAR
THE TORY PROGRAM APPEARS TO BE BEST TAILORED TO VOTER
CONCERNS, THOUGH LIBERALS MAY COME UP WITH ATTRACTIVE
PACKAGE. LABOR'S RECENT POLICY EDICTS APPEAR LESS GER-
MANE IN TERMS OF IMMEDIATE VOTER INTEREST, BUT HAVE
DIMINISHED POSSIBLE SOURCES OF INTERNAL DIVISION DURING
THE CAMPAIGN PERIOD. SINCE THE GOVERNMENT PARTY ENJOYS
THE TACTICAL ADVANTAGE OF DETERMINING THE ELECTION DATE,
LABOR CAN WITHHOLD ITS POSITION ON THE MORE POPULAR
ISSUES UNTIL THE MOST PROPITIOUS MOMENT, AND APPARENTLY
IS DOING SO. WE ANTICIPATE FURTHER CLARIFICATION LABOR

PROGRAM IN PRE-CAMPAIGN TOUR. HOWEVER, THE PARTY CANNOT
HELP BUT BE CONCERNED OVER OUTLOOK IN SCOTLAND WHERE
CONTINUED SWING TO SNP WOULD MAKE TASK OF WINNING CLEAR
PARLIAMENTARY MAJORITY FAR MORE FORMIDABLE.

SOHM
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 10669 02 OF 02 201730Z

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: OPPOSITION PARTIES, POLITICAL PARTIES, ELECTION CAMPAIGNS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON10669
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740229-0515
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740834/aaaabcof.tel
Line Count: 235
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by shawdg>; APPROVED <26 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GENERAL ELECTION OUTLOOK - EMERGING ISSUES SUMMARY - ALL INDICATORS CONTINUE POINTING TO OCTOBER
TAGS: PINT, PGOV, UK, SCOTTISH LABOR PARTY, SLP, SCOTTISH NATIONALIST PARTY
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005